



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

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Executive Director

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December 21, 2000

Ray Brown  
Unico, Inc.  
P.O. Box 777  
Magalia, California 95954

Re: Formal Approval of Notice of Transfer of Silver Bell Mill, S/031/007, and Acceptance of Transitional Surety and Reclamation Contract, Deer Trail Mine, M/031/003, Piute County, Utah

Dear Mr. Brown:

On December 4, 2000, we received the completed Transfer of Notice of Intention Small Mining Operations to transfer the Silver Bell Mill (file number S/031/007) located in the NW1/4 of Section 18, T28S, R3W, Piute County, Utah from Silver Bell Mining Company to Unico, Inc.

The Division Director signed and executed the transfer document on December 20, 2000, which effectively transfers the responsibility of this mining operation and reclamation to you. A copy of the transfer form is enclosed for your files. You are now the official party responsible for all mining and reclamation obligations for this project. By copy of this letter and the executed transfer form, the **Division hereby officially releases Silver Bell Mining Company from any further reclamation responsibilities at the Silver Bell Mill site.**

The mill site will now be combined with the Deer Trail Mine under file number M/031/003. Combining the two project areas, now bring the total project area to approximately 10 acres which requires a reclamation surety bond and a Notice of Intention to Commence Large Mining Operations (LMO). You advised us that you will be submitting a LMO within 60 days.

On December 4, 2000, you provided us with a \$19,000 surety in the form of a Certificate of Deposit (CD) #3106270 issued by First Security Bank and a transitional Reclamation Contract which the CD is tied to. This surety amount will cover the five acre permit area for the mill site. The USFS currently holds a \$24,100 surety for the Deer Trail mine site. The two sureties will provide sufficient reclamation security until the LMO is received and approved. The Division Director accepted the form and amount of the transitional surety. Copies of the CD with cover letter to First Security Bank and the transitional Reclamation Contract are enclosed for your records.

Once we receive the LMO and the detailed mining and reclamation plan, we will be able to calculate a final reclamation surety for the entire project area. The transitional reclamation surety amount and the form of surety will need to be adjusted accordingly to include the USFS and the Division as co-beneficiaries.